



Q2 22



KRAKATOA

RESOURCES LTD.

Quarterly Activities Report

June 2022



ASX Code
KTA

Capital Structure

344,709,917 Fully Paid Shares
21,200,000 Options @ 7.5c exp 29/11/23
5,000,000 Options @15c exp 29/11/23
15,000,000 Performance Rights at 20c, 30c and 40c.

Directors

Colin Locke
David Palumbo
Timothy Hogan

www.ktaresources.com

Lv 11, London House
216 St. Georges Terrace,
Perth WA, Australia 6000

HIGHLIGHTS FROM JUNE 2022 QUARTER

MT CLERE REEs, HMS & Ni-Cu-PGEs PROJECT

- Major clay hosted ionic **rare earth discovery made** with significant and widespread clay hosted ionic rare earth element mineralisation confirmed.
- A substantial **Exploration Target¹ of 87-519 Mt grading 580-1120 ppm TREO** was generated from the geological interpretation and discovery drill holes confirming abundant rare earth elements contained within the regolith.
- Enriched in high value **magnetic** and **critical rare earth elements**.
- A 100 hole for 3,153m **resource development and step out air-core (AC) drill program** quickly followed the REE discovery.
- Processing and interpretation of recent **moving loop ground electromagnetic** ("MLEM") survey data over initial **15 strong discrete late-time AEM sulphide targets** completed.
- **Multiple walk-up** potential sulphide **drill targets** with exceptional **10,000 plus Siemens conductors** recorded.
- **Priority MLEM sulphide targets will be drill tested** on completion of all regulatory permitting.
- **Metallurgical studies are underway** with ANSTO (Australia's Nuclear Science and Technology Organisation) looking at the leachability of the rare earths under various conditions typically applied to ionic clay deposits.

KING TAMBA (previously called Dalgara) TECH METALS PROJECT

- A 32 hole for 3,045m **resource development drill program** was drilled during May and June. The program targeted a suite of mineralized pegmatites which are enriched in rubidium, tantalum, cesium, niobium and lithium and was designed to infill existing drilling to a nominal 40 x 40m spacing to allow calculation of a maiden JORC mineral resource
- Resource drilling **reaffirms the existing geological model** and identifies **extension of the pegmatite complex** outside of the historical exploration footprint.
- Reconnaissance drilling in south **intersects additional pegmatites** and remain open in all directions.

RAND PROJECT

- The company obtained the regulatory permitting and approvals to conduct shallow air-core drilling from road verges across the extensive Rand area.
- Sites were selected specifically where interpreted intrusives which can host rare earth elements (REE) and have developed a relic weathering profile, therefore being amenable to prospective hosting REE enrichment.

COMPANY

- Cash on hand at end of the quarter is \$4.2M.
- \$5M capital raise lead by Alto Capital completed during the quarter.

Krakatoa Resources Limited (**ASX: KTA**) ("Krakatoa" or the "Company") is pleased to provide the following summary of activities conducted over the June 2022 quarter, which firmly focused on systematic exploration at the Company's Mt Clere project in the Yilgarn Craton, WA, and King Tamba project in WA, both of which are 100% owned.

¹ The potential quantity and grade of the Exploration Target is conceptual in nature and is therefore an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

 Mt Clere REES, HMS & Ni-Cu-PGEs Project**Overview**

The Mt Clere project is located approximately 200km northwest of Meekatharra, within the Narryer terrane, Gascoyne Region, Western Australia.

The Narryer Terrane is thought to represent reworked remnants of greenstone sequences that are prospective for intrusion-hosted Ni-Cu-(Co)-(PGE's). Chalice Gold Mines (ASX: CHN) recent Ni-Cu-PGE Julimar discovery, located near Perth in the similarly aged Southwest terrane, has renewed exploration interest in the Narryer terrane. Like the former, the Narryer terrane, which forms the northwest margin of the Yilgarn Craton, consists of relatively high-grade granitic gneisses interlayered with metasedimentary rocks that are intruded by granite and pegmatite. Thus, the Narryer terrane is prospective for similar mineralisation-styles including Ni-Cu-PGE (e.g. Julimar) and orogenic gold (e.g. Boddington).

The Project also contains significant opportunities related to rare earth elements, in particular via the previously identified widespread monazite sands concentrated within the drainage networks of the northern tenure. Other valuable heavy minerals such as zircon (to 60%), and ilmenite (to 29%) with lesser rutile, leucoxene, and xenotime, were historically recovered in samples from the same area, favourable for large placer resources of easily recoverable material.

The has discovered shallow clay hosted REE's within the widely preserved deeply weathered lateritic profiles developed in gneissic rocks and potentially REE-rich carbonatites like those associated with the adjacent Mt Gould Alkaline Province.

Recent Activities

During the Quarter, the Company discovered the presence of ionic clay hosted rare earth elements (REE), and then quickly established an exploration target and undertook resource drilling at the Tower REE prospect. The Company also advanced it's exploration efforts with the potential Ni-Cu-PGE sulphide conductors by completing the interpretation of Moving Loop EM (MLEM) surveys over the numerous priority VTEM target conductors.

MLEM Survey (Ni-Cu-PGE targets)

Data was collected from the ground survey over the southern priority anomalies during April 2022. The priority anomalies were identified from the airborne electromagnetic ("AEM") survey (refer to ASX Announcement 25 January 2022). In total 18 traverses of data were collected over 15 target areas, for approximately 45 line km of data collection (Figure 1).

On completion of the survey Montana GIS (David McInnes) complete a comprehensive interpretation of the Moving Loop Electro-Magnetic (MLEM) data. Plate modelling of the MLEM data indicate the anomalies are sourced by basement conductors with conductance's that range from hundreds of Siemens to over 10,000.

Exceptional anomalies were recorded at Milly-Milly (MM-1) and North Bullbadger (NBB-8). The sources of the MLEM anomalies model in the high thousands of Siemens (typically greater than 8,000) with responses recorded well into the last channel of the 0.25 Hz data.

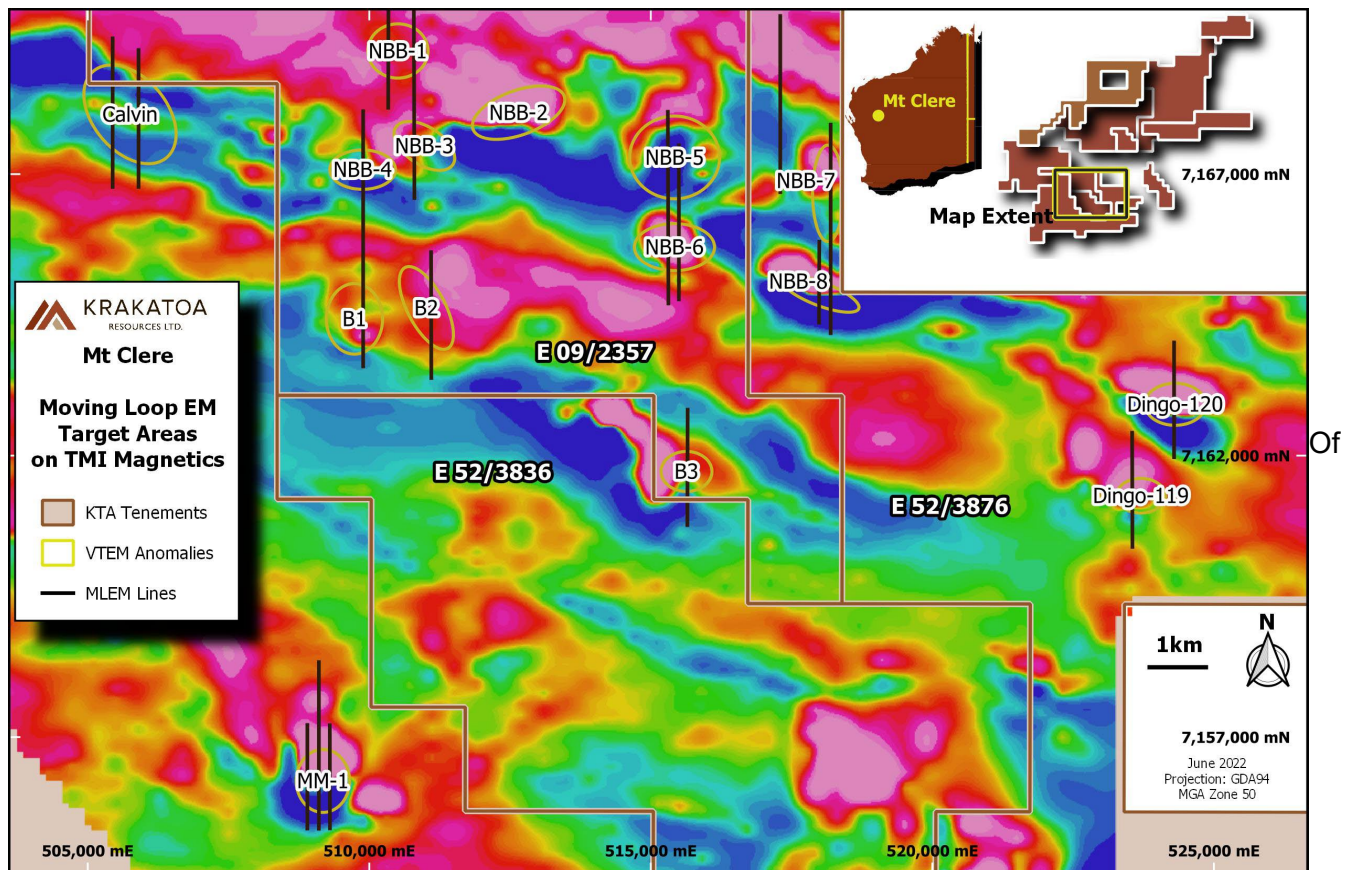


Figure 1 Map of AEM targets showing MLEM lines over TMI magnetics

Details of these two exceptional anomalies are as follow:

Milly-Milly (MM-1)

Modelling the geometries for the source of the Milly-Milly electromagnetic anomaly is complex. Cross cutting, flat lying and alternate dipping combinations of conductors were required to replicate all the component data. This suggests the principal anomaly may be sourced by a pipe like body. The strongest conductors appear to be on the southern margin of an intense magnetic body (>1 SI unit) with the lesser conductance plates internal to the source of the magnetic anomaly (Figure 2).

The four dominant conductors ($>10,000$ Siemens) lie between 75-100m below surface. Two are 400 long (strike) and extend to 200m. The other two are 250m long and have 250m depth extension.

NBB-8

The highly conductive source at NBB-8 located on the eastern side of the North Bullbadger cluster zone is adjacent to an intense magnetic anomaly. The magnetic body has an east-west orientated strike. The model conductors match this magnetic feature. Where the magnetic body kinks the conductive source does as well (Figure 3).

The two main conductors lie between 150-195m below surface. One plate strikes 400m and extends 300m down, while the second has 350m of strike and extends 350m. Several other conductors are also found in this area with similar dimensions.

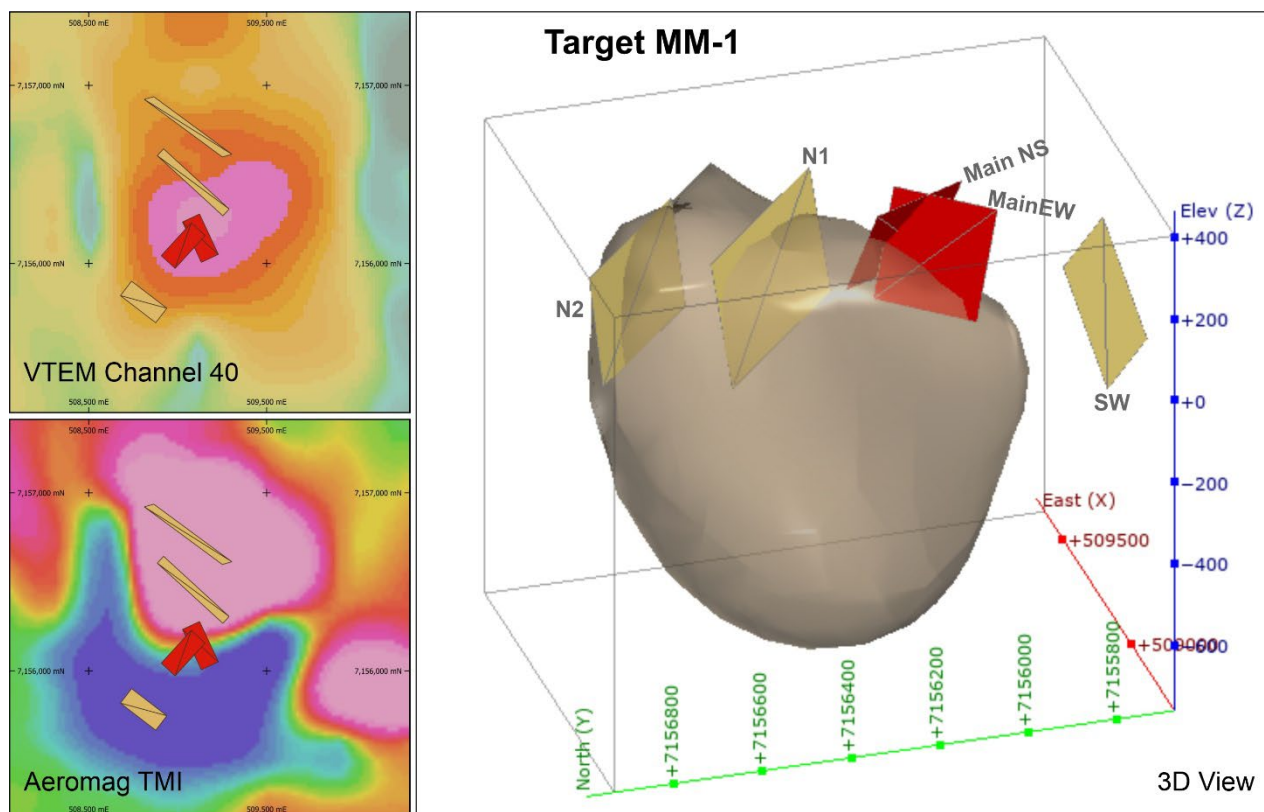


Figure 2 Milly Milly (MM-1) Prospect, MLEM plates over AeroMag TMI and AEM VTEM Ch40, with oblique view of 3D magnetic susceptibility isosurface (0.2 SI units)

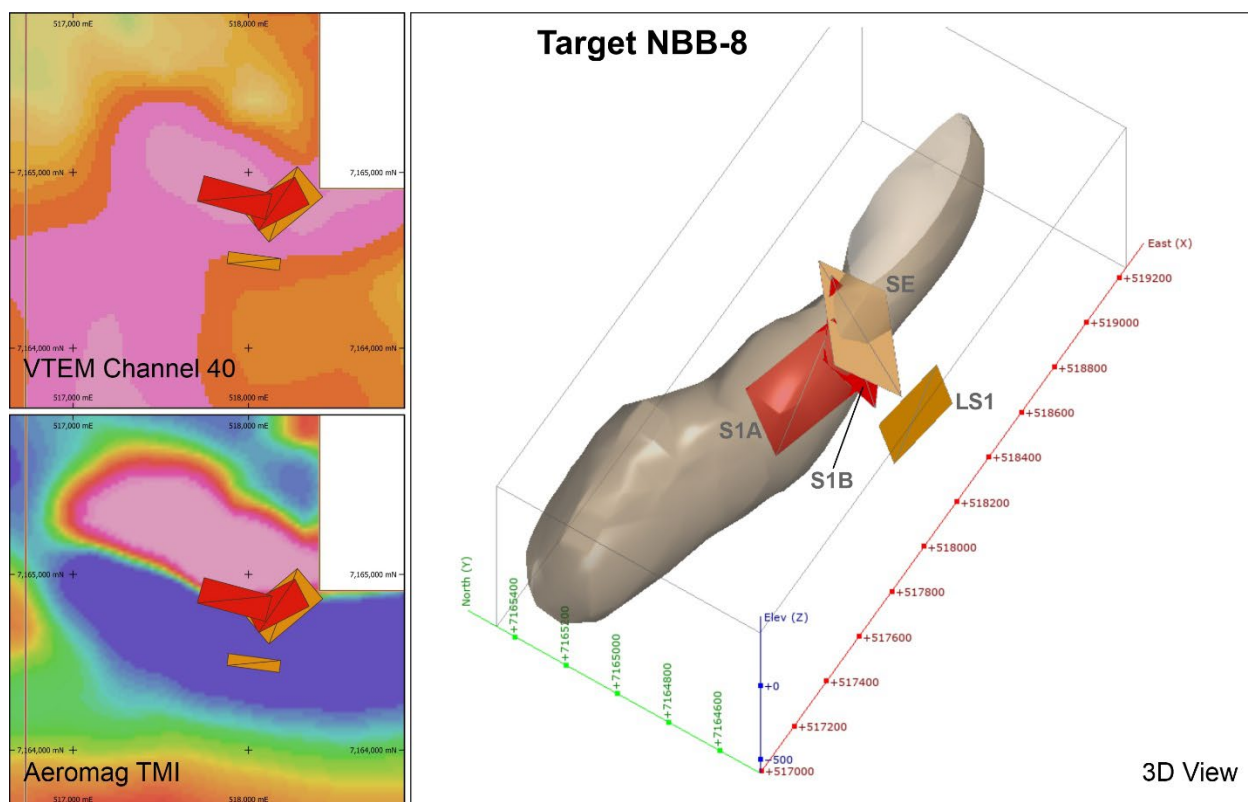


Figure 3 NBB-8 Prospect, MLEM plates over AeroMag TMI and AEM VTEM Ch40, with oblique view of 3D magnetic susceptibility isosurface (0.2 SI units)

Next Steps

The Company is currently undertaking the regulatory permitting and heritage clearance requirements. Once complete, the Company will rapidly advance to drilling which is expected to be a combination of reverse circulation and diamond methods.

Additional conductors and PGE-Ni-Cu targets, identified from the initial interpretation of the AEM data early 2022 will be followed up with a second phase of MLEM surveys and ground truthing programs this year.

Tower Prospect (Ionic Clay Hosted REE targets)

During the quarter the Company identified and confirmed the discovery of clay hosted REE at the Tower prospect from the late 2021 reconnaissance air-core (AC) drilling program. The company received all laboratory assays from the 39 AC drill holes (1,047m) with the results revealing significant levels of widespread REE's, throughout the well-developed saprolitic pallid clay zone.

Intersection of note include:

- 15m @ 1,395ppm TREO from 16m (21MAC026)
- 8m @ 1,264ppm TREO from 16m; within 13m @ 952ppm TREO from 16m (21MAC016)
- 10m @ 1,251ppm TREO from 32m, within 14m @ 979ppm TREO from 28m (21MAC004)
- 4m @ 1,156ppm TREO from 12m (21MAC005)
- 12m @ 1,130ppm TREO from surface (21MAC020)
- 12m @ 1,012ppm TREO from 8m; within 22m @ 689ppm TREO from surface (21MAC009)
- 21m @ 1,005ppm TREO from 20m; within 33m @ 765ppm TREO from 8m (21MAC021)
- 8m @ 941ppm TREO from 20m; within 32m @ 643ppm TREO from 12m (21MAC038)
- 28m @ 841ppm TREO from 8m (21MAC025)
- 15m @ 792ppm TREO from 4m (21MAC019)
- 24m @ 526ppm TREO from 4m (21MAC034)
- 15m @ 547ppm TREO from 4m (21MAC030)
- 15m @ 536ppm TREO from 8m (21MAC007)
- 9m @ 778ppm TREO from 24m (21MAC022)

Based on recent drilling and geological interpretation an Exploration Target was estimated at 87 to 519 million tonnes grading 580-1120 ppm TREO. The potential quantity and grade of the Exploration Target is conceptual in nature and is therefore an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Late in the quarter the Company commenced the in-fill drilling to assist with future resource estimation work and completed additional opportunistic step-out drilling over the Tower prospect. Subsequent to quarter end the drilling was completed. A total of 3,153 metres were completed. Twelve scout holes were initially drilled at Tower West for 412m. Eighty-eight holes for 2,801m were then drilled at the Tower prospect to infill previous drilling and to extend known mineralisation to the east and south-east (Figure 4).

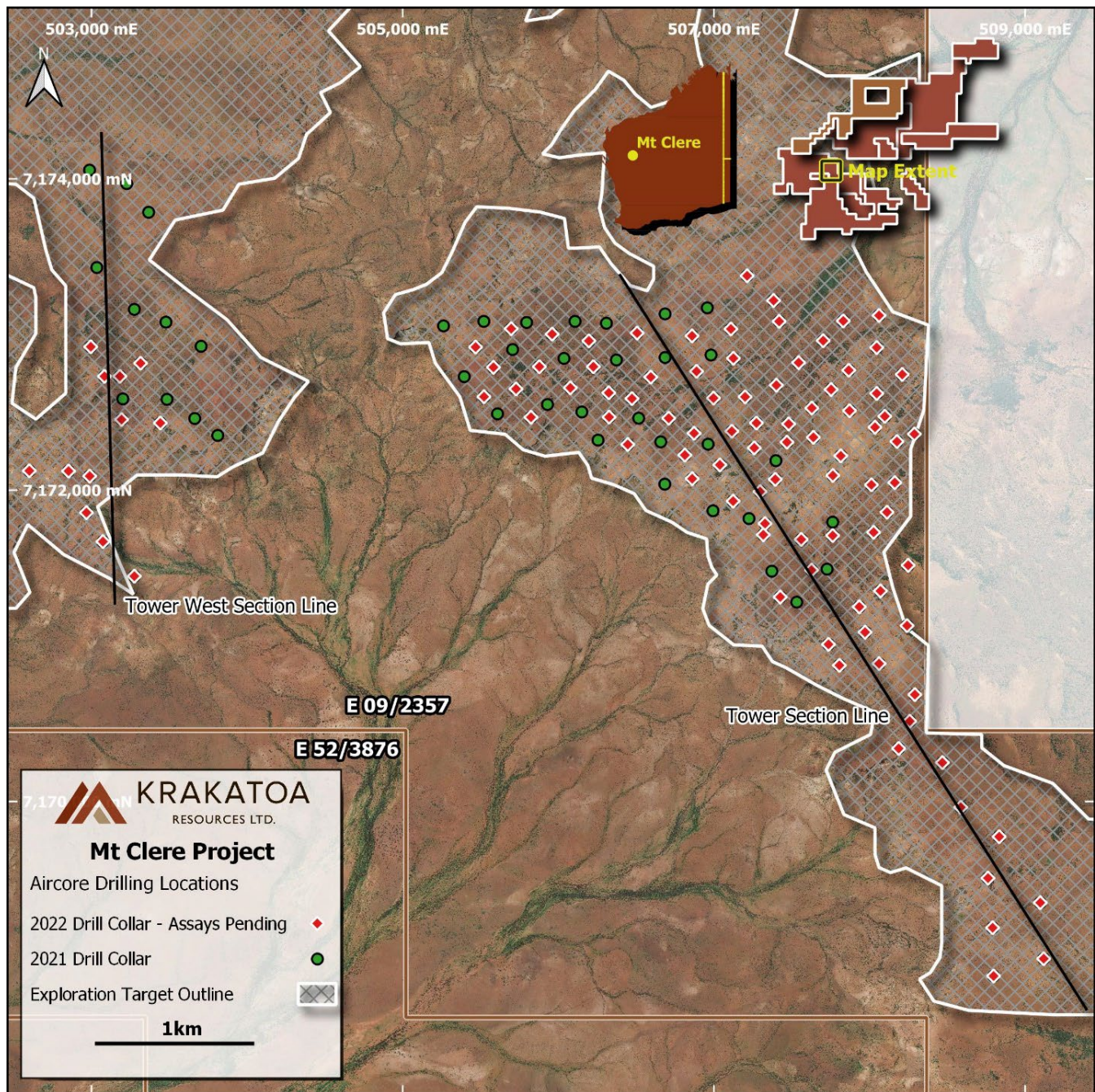


Figure 4 Map showing the locations of the discovery drill holes (2021) and the recently completed drill holes, all within the area defined within the Exploration Target.

Of the analytical results received to date, the clay intersection of >500ppm TREO range in thickness from 4m to 33m within the current area of drilling. Zirconium oxide was also elevated within several zones of the regolith, with several assays higher than 1000ppm returned and an average of 553 within intervals >200ppm TREO. Uranium and Thorium levels are low which is expected with ionic clay hosted REE deposits. They averaged 1.09ppm (U) and 38ppm (Th) respectively for >200ppm TREO intervals.

The main mineralisation envelopes are interpreted to lie within the large horizontal clay saprolite layer and are open to the north, east and west. Additional areas within the laterite caprock and within the highly weathered saprock have also shown significant REE mineralisation. Figure 5 and 6 show cross sections of the simplified regolith profile with downhole TREO intersections, contoured with mineralised zones of >500ppm and >200ppm TREO on assayed holes, with all newly drilled holes without assays.

The recent extensional drilling to the east encountered greater thicknesses of transported cover and laterite material, however the extensional drilling to the south-east returned encouraging visual indicators that the clay hosted pallid saprolite hosting the REE mineralisation continue in that direction for a considerable distance, overall, around 4.5 kilometres. Accordingly, we can confirm thick and anticipated continuous zones of the REE-hosting clay horizons (Figure 5).

The location of the drill holes in the Tower West scouting program were selected based solely on ease of access from station tracks, topographical relief, and vegetation coverage. Limited holes were drilling in this area to solely test the southern extent of the target area along the station track. The drilled holes encountered a similar pallid saprolitic clay zone. The zones here are not as thick or continuous as at Tower itself but the drilling has also been more widely-spaced and reconnaissance in nature (Figure 6).

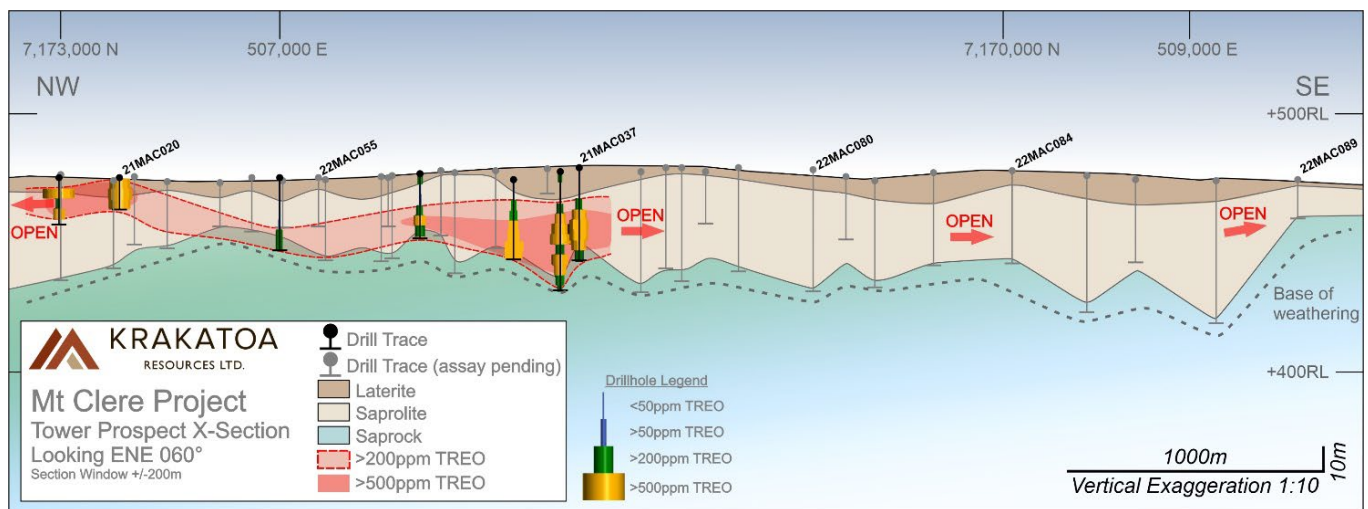


Figure 5 Tower prospect NW-SE cross section showing simplified regolith profile, with drill hole trace and previously reported downhole TREO intervals.

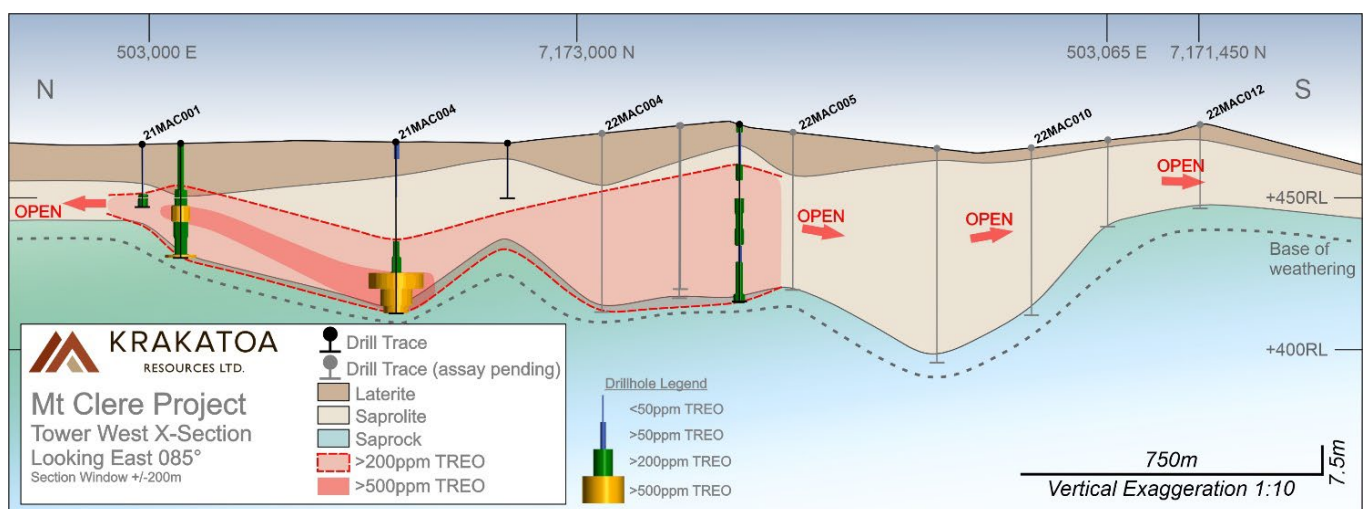


Figure 6 Tower West prospect N-S cross section showing simplified regolith profile, with drill hole trace and previously reported downhole TREO intervals.

Next Steps

The Company is currently planning additional reconnaissance drilling of other highly prospective IAC REE targets when a more portable drill rig becomes available and regulatory permits and access is granted. This program will include drilling the downslope areas of the hard capped breakaways (upper erosional areas) between the Tower and Tower West prospects, where it is believed the mineralisation may extend below these and have less unmineralised cover, as well as around the DEW area in the north east of the Mt Clere project licenses.

The company is awaiting laboratory assay results from the June drilling program which are currently with ALS. ALS has informed the Company that the sample preparation process is experiencing longer delays due to the increase in demand. It is possible that sample assays for may take 12-14 weeks.

A maiden resource will be determined from all the drilling once the outstanding assays are complete.

The Company is still in the process of completing the metallurgical leach testwork at ANSTO and will be looking to advance this once additional samples are received from the current drill program.

Alluvial Mineral Sand Targets

Reconnaissance drilling over the alluvial terraces in the south of the Wheelo Creek catchment area was undertaken in late 2021. The program was designed to test the potential of hosting heavy mineral sands (HMS) including monazite sands and the possible secondary ionic weathered clays. Two significant drill hole traverses were completed, with the south line run over along the mid-level alluvial plain and the north line drilled within the lower reaches of the plain.

Initial sighter geochemical analyses of the sand had been undertaken with the results currently being interpreted by HMS experts at IHC Mining. It is expected that a secondary testwork of larger samples will follow the review of the HMS geochemical analysis review. The viability of heavy mineral sands (HMS) including monazite sands and the potential for secondary ionic weathered clays will be assessed once all testwork is complete.

King Tamba (formerly known as Dalgaranga) Tech & Battery Metals Project

Overview

The King Tamba Project is located 80km northwest of Mount Magnet in Western Australia and sits within the Dalgaranga Greenstone Belt. The Dalgaranga Greenstone Belt is about 50km long and up to 20km wide and contains gold mineralisation (Dalgaranga gold mine), a zinc deposit (Lasoda), graphite deposits, and occurrences of rubidium, tantalum, beryllium, tin, tungsten, lithium and molybdenum related to pegmatites.

The presence of critical metal minerals such as tapiolite, tantalite, columbite, zinnwaldite and lepidolite (lithium-bearing micas) were recognised during field mapping and confirmed anomalous critical metals during the rock chip sampling programmes completed in late 2016 to mid-2017. Opportunistic rock sampling over this period was previously reported in ASX announcement (16 June 2017 and 17 August 2017) revealed the presence of anomalous rubidium (peak values of >5,000ppm (sample AD004) and 3463.9ppm Rb (sample 17D022)) Tantalum (1,854ppm Ta₂O₅ (sample 16D016), and Niobium (725ppm Nb in sample 16D005) within the mine and southern pegmatite area.

Recent Activities

During the quarter, the Company drilled thirty-two RC drillholes for a total of 3045m (Figure 7). The program targeted a suite of mineralized pegmatites which are enriched in rubidium, tantalum, caesium,

niobium, and lithium and was designed to infill existing drilling to a nominal 40 x 40m spacing to allow calculation of a maiden mineral resource. Rubidium was the primary target of the drilling with previous work having returned highly anomalous values over a large areal extent.

Thick intersections of pegmatite were regularly encountered at the expected depths predicted from the existing geology model using historical drilling. Whilst the drilling was mainly infill, a number of extensional holes were added to the program with very promising results (Figure 7). Drillhole DAL033 encountered 32m of pegmatite from 33-65m downhole, which extended the known boundary of the central pegmatite north by 65m. Similarly, drillhole DAL004 encountered 12m of pegmatite from 46m downhole and extends the central pegmatite south by 30m. These extensional drillholes allow us to add significant tonnage to the pegmatite model and importantly they also indicate that the system has not been closed out yet.

Farther south on the tenure and beyond any existing drilling, three exploration holes (DAL027 – DAL029) were drilled to test an area where geological mapping had indicated pegmatite at surface. The results from these holes were particularly pleasing, with DAL029 returning 16m of pegmatite from three lenses in the first 30m of the drillhole and additional pegmatite below 74m. DAL029 is located 650m south of our existing wireframes and 200m south of the previous southernmost hole. At this stage there is insufficient data to infer continuity of the pegmatites along the full 650m of strike extent, however future drilling plans will seek to test this theory.

Next Steps

The King Tamba area is considered prospective for tantalum, lithium, niobium, tungsten, tin, and rubidium. Historical mechanised mining produced tantalum, beryl, tin and tungsten from a shallow open pit during 2001 and 2002.

Work is now ongoing to model the pegmatites in detail and compile supplementary data to support a maiden mineral resource estimation. On positive resource definition the company will undertake initial metallurgical test work to identify suitable product suites from the various zones within the pegmatite complex.

The rise in demand and prices of the currently identified speciality metals has risen over the last few years, to level which may provide opportunities for the company to investigate potential for extraction. The expansion of Krakatoa's land holding has also brought the company closer to this ambition.



Rand IRGS & REE Project

Overview

The Project is located approximately 60km NNW of Albury in southern NSW and contains a 40km structural corridor with the prospective geology largely masked by colluvium.

The tenement captures the historical Bulgandry Goldfields which demonstrates the prospectivity for shear-hosted and intrusion-related gold. Production records from several of the mines within this goldfield such as the Show Day and Welcome Find reefs show substantial gold grades, including 512oz from 60 tons and 70oz from 74 tons, being extracted from the exposed quartz veins.

Past exploration has concentrated on the areas of outcrop and was limited to the Show Day and Welcome Find Reefs. Prior to Krakatoa, the Lone Hand and Goodwood Reefs have not been explored since their original closure pre-1902.

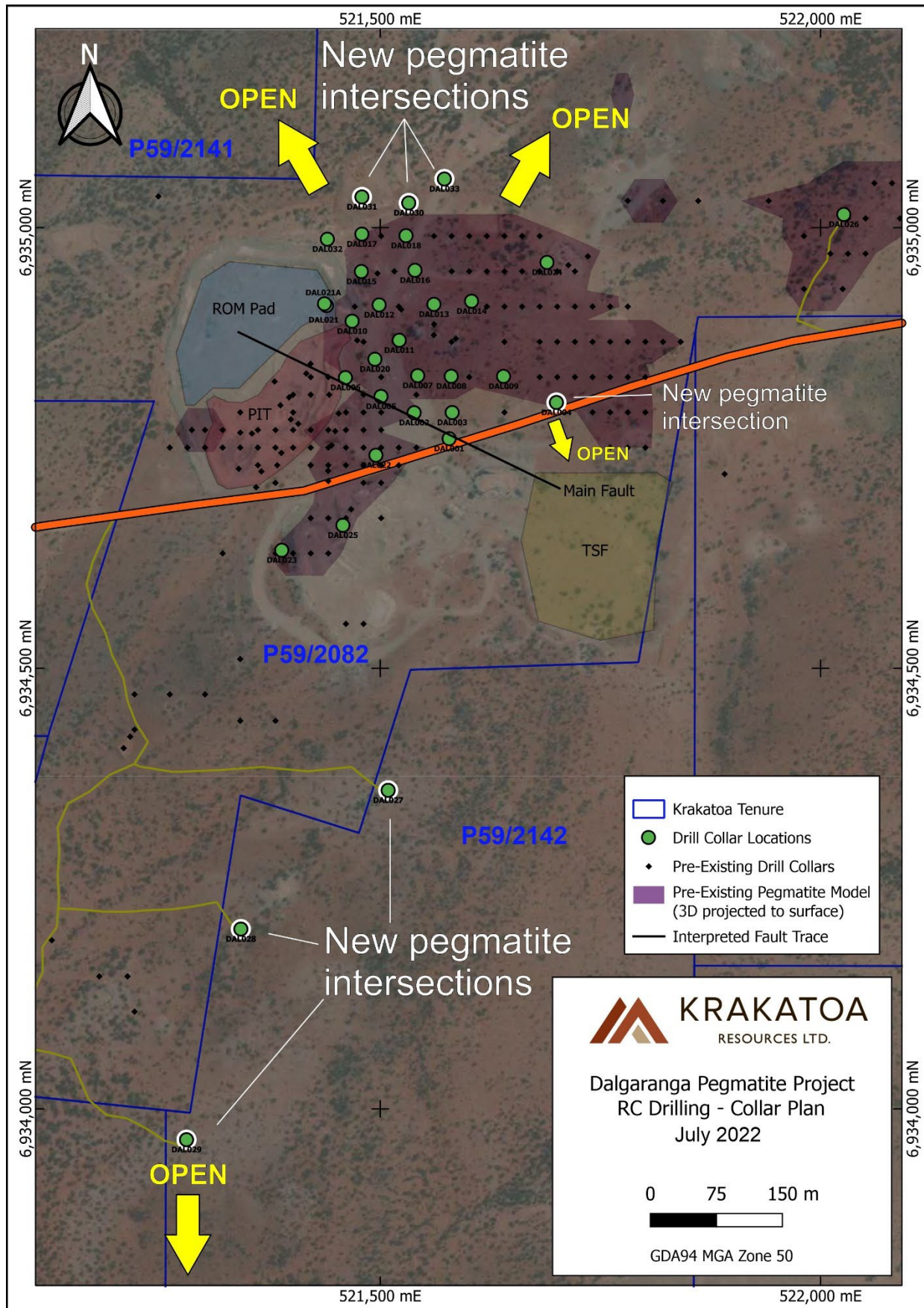


Figure 7 Location of drill holes, remanent mine facilities and pre-existing pegmatite model.

Recent Activities

During the quarter, the Company completed the regulatory permitting and sort approvals to conduct shallow air-core drilling from road verges across areas of known and interpreted intrusives within the granted tenements. This program is designed for testing the upper parts of the weathering profile for REE enrichment over prospective hosting basement geology.

The program was delayed from drilling due to high rainfall in the area making it impossible to undertake the drilling on road verges. Consequently, the specialised drill rig has been secured from work programs in Northern Australia and it is now envisaged the work program may commence late 2022.

Moving forward, the planned exploration rationale is to conduct shallow air-core drilling across areas of known and interpreted intrusives, testing the upper parts of the weathering profile for REE enrichment. This work should define what REE enrichment has occurred and to what extent.

Current ongoing gold exploration is targeting blind, intrusive-related (IRGS) and orogenic gold systems and mature gold systems near surface. Planning for drill exploration is being undertaken for a late 2022 to early 2023 program, after crop harvesting.

Belgravia Cu-Au Porphyry Project

Overview

The Belgravia Project (EL8153) covers an area of 80km² and is located in the central part of the Molong Volcanic Belt (MVB), Lachlan Fold Belt, NSW. It contains the same rocks (Fairbridge Volcanics and Oakdale Formation), or their lateral equivalents, that respectively host the giant Cadia-Ridgeway mine 35km south and Alkane Resources' Boda discovery 65km north. Historical exploration at Belgravia has failed to adequately consider the regolith and tertiary basalt (up to 40m thick) that obscures much of the prospective geology. The Project contains six targets with considerable exploration potential for porphyry Cu-Au and associated skarn mineralisation.

Recent Activities

No work was conducted on the Project during the last quarter.

Mac Well Gold Project

Overview

The Mac Well Project has a land area of 66.9km² and is located 10km west of the Company's Dalgaranga Project. The Project contains a 7.5km strike along the prospective Warda Warra greenstone belt, mostly untested due to a thick transported cover. The Company considers favourable structural conditions for gold mineralisation are likely within the Mac Well tenement, acknowledging the significance and prospectivity of the western granite-greenstone contact, as evidenced by the Western Queen Mine.

Recent Activities

The Company received the renewal notification on this tenement late this quarter and will be undertaking geochemical surveys over the EM conductors, as well as regional mapping and sampling of pegmatites known to occur in the area.

 Turon Gold Project**Overview**

The Turon Project covers an area of 120km². It is situated approximately 50km east of the Company's Belgravia Project and 60km northeast of Newcrest Mining's Cadia Valley Operations, in the Hill End Synclinal Zone, NSW. The geology at Turon bears many similarities in terms of host-rocks, structural- and mineralisation-style to other high-grade turbidite-hosted gold deposits, including Fosterville in the Bendigo-Ballarat zone, central Victoria.

Recent Activities

No work was conducted on the Project during the last quarter.

 Corporate

Cash on hand as the end of the quarter was \$4.2M at quarter end.

On 29 April, the company raised \$5,000,000 through the issue of 50,000,000 ordinary shares at \$0.10 per share. The funds were issued to professional and sophisticated investors.

Exploration

ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$787k. Exploration during the Quarter largely comprised of reverse circulation (RC) and air-core drilling, MLEM survey interpretation and target generation - full details of activity during the Quarter are set out above.

ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

Tenements held by the company, at the end of the quarter are presented in Appendix 1.

Related Party Payments

Pursuant to item 6 in the Company's Appendix 5B – Quarterly Cashflow Report for the Quarter ended 30 June 2022, the Company made payments of \$72k to related parties which relate to existing remuneration arrangements (director fees and superannuation).

Authorised for release by the Board.

Yours faithfully,



Colin Locke
Executive Chairman

Disclaimer

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Competent Person's Statement

The information in this announcement is based on, and fairly represents information compiled by Mark Major, Krakatoa Resources CEO, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Krakatoa Resources. Mr Major has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Major consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Geophysical Information in this report is based on exploration data modelled by David McInnes, who is engaged as a geophysical consultant through Montana GIS. Mr McInnes is a member of the Australian society of Exploration Geophysicists and has sufficient experience of relevance in the types of survey's completed and the types of mineralisation under consideration.

ASX Announcement (Price Sensitive) released during the Quarter

Date	Headline
12-Apr-22	Major Clay Hosted Ionic Rare Earth Discovery at Mt Clere
21-Apr-22	\$5M Placement to fast-track exploration at Mt Clere
29-Apr-22	Quarterly Activities & Appendix 5B Report
16-May-22	Resource Drilling Commences at Critical Metals Project
19-May-22	Exploration Target Highlights Potential – Tower REE Prospect
7-Jun-22	MLEM Highlights Key Sulphide Targets at Mt Clere
22-Jun-22	Resource drilling commenced at Tower REE prospect, WA

Appendix 1 - Details of Tenements Held at 30 June 2022

Project	Tenement Licence	Interest held at at 31 March 2022	Interest acquired/ disposed	Interest held at 30 June 2022
Belgravia	EL8153	100%	-	100%
Turon	EL8942	100%	-	100%
Rand	EL9000	100%	-	100%
Rand	EL9276	100%	-	100%
Rand	EL9277	100%	-	100%
Rand	EL9366	100%	-	100%
Mt Clere	E09/2357	100%	-	100%
Mt Clere	E52/3730	100%	-	100%
Mt Clere	E52/3731	100%	-	100%
Mt Clere	E52/3836	100%	-	100%
Mt Clere	E52/3873	100%	-	100%
Mt Clere	E52/3876	100%	-	100%
Mt Clere	E52/3877	100%	-	100%
Mt Clere	E51/1994	100%	-	100%
Mt Clere	E52/3938	100%	-	100%
Mt Clere	E52/3962	100%	-	100%
Mt Clere	E52/3972	100%	-	100%
Mac Well	E59/2175	100%	-	100%
King Tamba	P59/2082	100%	-	100%
King Tamba	P59/2140	100%	-	100%
King Tamba	P59/2141	100%	-	100%
King Tamba	P59/2142	100%	-	100%
King Tamba	E59/2389	100%	-	100%
King Tamba	E59/2503	+	-	+

+ Tenement applications subject to grant

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

KRAKATOA RESOURCES LIMITED

ABN

39 155 231 575

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(787)	(2,582)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(292)	(871)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	51	51
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(1,028)	(3,402)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(139)	(156)
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(139)	(156)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	5,000
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	782
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(345)	(345)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	4,655	5,437

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	733	2,342
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,028)	(3,402)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(139)	(156)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,655	5,437

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,221	4,221

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,221	733
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,221	733

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	72
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,028)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,028)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,221
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,221
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.11
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **29 July 2022**

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.